

LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

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DATE: March 10, 2003

FROM: KATHLEEN ROLLINGS-McDONALD, Deputy Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

**SUBJECT: AGENDA ITEM 8 -- REVIEW AND ACCEPTANCE OF AUDIT REPORT
PREPARED FOR THE FISCAL YEAR ENDING JUNE 30, 2002**

RECOMMENDATION:

1. Review and accept Audit Report prepared by the County of San Bernardino Auditor/Controller-Recorder's Office, Audits Division; and,
2. Direct the Clerk to the Commission to file a copy of the accepted Audit Report with all appropriate entities.

BACKGROUND:

During budgetary hearings last year, the Commission authorized a contract with the County Auditor-Controller/Recorder to perform an audit of the financial records for LAFCO. Personnel from the County's Audits Division began the process of auditing the financial records of the Commission in October 2002. LAFCO staff has provided access to the Commission's financial records, assisted with the compilation of data, and members of the staff have been interviewed regarding our operations. The study, by necessity, had to establish the beginning audit records as no previous audit work had been done.

Attached to this report is a copy of the "Audit Report" submitted by the Audits Division for the Commission's review. Mr. Scott Lindsey, Supervisor in the Audits Division, County Auditor/Controller-Recorder's Office, will be present at the March 19th hearing to answer any specific questions on this document.

The staff is recommending that the Commission take the actions outlined to accept the Audit Report as presented and instruct the Clerk to submit it to the appropriate entities.

/KRM

Attachment:

Audit Report Distributed March 10, 2003